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**TO:** GENERAL COMMITTEE

**SUBJECT:** GEORGIAN COLLEGE UNIVERSAL TRANSIT PASS (U-PASS) AGREEMENT

**WARD:** ALL

**PREPARED BY AND KEY CONTACT:** T. TURNER, CPA, CGA  
SUPERVISOR OF BUSINESS SERVICES, EXT 5187

**SUBMITTED BY:** B. FORSYTH, DIRECTOR OF TRANSIT AND PARKING STRATEGY

**GENERAL MANAGER APPROVAL:** R. JAMES-REID, EXECUTIVE DIRECTOR – ACCESS BARRIE

**CHIEF ADMINISTRATIVE OFFICER APPROVAL:** M. PROWSE, CHIEF ADMINISTRATIVE OFFICER

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#### **RECOMMENDED MOTION**

1. That the Mayor and City Clerk be granted delegated authority on behalf of The Corporation of the City of Barrie to execute an agreement with Georgian College for the Universal Transit Pass (U-Pass) program subject to the satisfaction of the Director of Legal Services and the Executive Director of Access Barrie based on the following key negotiated terms and conditions:
  - a) The U-Pass fee of \$86 per semester and the annual rate increase be based on the Consumer Price Index (CPI) as calculated through the City's third party transit service provider contract;
  - b) A three (3) year term with an option for a two (2) year renewal; and
  - c) That only full-time credit paying students as defined by the Ministry of Advanced Education and Skill Development's audit and fee assessment rules be eligible for the U-Pass.
2. That the Mayor and City Clerk be delegated authority on behalf of The Corporation of the City of Barrie to execute extensions or renewals of such agreement(s) with substantially similar intent and conditions presented in the original agreement.
3. That the Director of Transit and Parking Strategy be given delegated authority on behalf of The Corporation of the City of Barrie to increase transit service to/from the Georgian College campus up to 1,000 service hours for the fall semester to accommodate additional ridership resulting from the U-Pass.

#### **PURPOSE & BACKGROUND**

##### **Universal Transit Pass**

4. Georgian College, like many Canadian universities and colleges, are tackling the difficult problem of making their campuses sustainable and grappling with major transportation challenges as growing enrolments and greater car ownership among young people are putting pressure on campus roads, parking lots, and transit services.

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5. Since parking lots are very expensive, rarely pay for themselves, and take up valuable space that can be used for research, teaching, or residence facilities; Georgian College and City staff have partnered to find an innovative transportation demand management strategy to help students leave their cars at home, in favour of more sustainable travel options like walking, cycling, and public transit.
  6. A Universal Transit Pass is an increasingly popular solution among Canadian colleges and universities that provides unlimited access to transit for every eligible full-time student in each semester. A U-Pass involves mandatory participation where the fee is typically much lower than the cost of buying a regular transit pass because the cost is redistributed to a smaller group to a larger one. While some individuals may benefit more directly than others, U-Passes work because they have substantial benefits for the student group as a whole.
  7. The implementation of a U-Pass for the City of Barrie would help support several key objectives such as;
    - a) **Increased Transit Ridership** – research on the impact of a U-Pass on other transit agencies has reported that student ridership has almost doubled in some cases. This would translate to an increase of 500,000 trips per year. More riders on the transit system improves efficiency and can increase transit service for the entire community. As the funding allocations to municipalities for most Provincial and Federal Transit funding programs (Provincial Gas Tax & Public Transit Infrastructure Fund) is based on ridership, the City of Barrie will benefit from this increased ridership.
    - b) **Reduce Illegal Parking** – an increase in transit users correlates with a decrease in auto commuters. This can positively impact illegal or unwanted parking in residential areas surrounding the college.
    - c) **Decrease Student Housing Rentals near Georgian College** – additional transit users can improve transit service for the entire City by increasing frequencies, adding additional routes or express routes. This will allow more students to find housing outside of the immediate Georgian College area as it would reduce travel time and travel costs to and from the college.
    - d) **Supports Active Transportation Goals** – increased ridership supports the City's Multi-Modal Active Transportation Plan with the target for transit increasing from 2.6% (existing) to 7.0% by 2031. In addition, the anticipated increased ridership supports the recently announced Federal Public Transit Stream outlining objectives to increase the modal share of transit and active transportation by a minimum of 25% within Ontario and contributing to a national 10 mega-tonne reduction in Green House Gas (GHG) emissions.
  8. Georgian College students would also gain several benefits from a U-Pass including;
    - a) **Parking Constraints** – the implementation of a U-Pass will encourage more students to travel by transit and reduce the pressure on existing parking spaces at the Georgian College campus.
    - b) **Increased Transit Service** – as the City plans to accommodate the increased ridership resulting from the U-Pass transit service improvements will occur over time. Examples may include additional or express routes, or increased frequency of existing routes. This will benefit all students, staff, and visitors to Georgian College.
    - c) **Improved Transit Infrastructure** – both the City and Georgian College staff have identified the existing transit infrastructure at Georgian College to be inadequate. The

transit infrastructure will not meet future requirements under the Accessibility for Ontarians with Disabilities Act (AODA) and holds potential safety concerns. Through available PTIF funding the City will investigate the potential to enhance this infrastructure resulting in a significant service enhancement for Georgian College students.

- d) **More Housing Options** – increased transit service can help students live outside of the immediate campus area providing the opportunity to find additional or more affordable housing options.
9. Additional benefits of a U-Pass for the students, the Georgian College campus, the transit system, and the community as a whole have been summarized in **Appendix A**.

#### U-Pass Pilot Program and Student Referendum Vote

10. In consideration of the many benefits of a universal transit pass City and Georgian College staff have worked together to introduce the U-Pass for students. Over the past 6 months both the City and Georgian College have carried out a marketing and communications plan that promoted the benefits of the U-Pass.
11. A pilot program was undertaken at the downtown Georgian College campus to provide approximately 250 students with a U-Pass for the fall 2017 and winter 2018 semesters. The college provided a \$40,000 financial contribution to the City to help offset costs. The ridership from the pilot program is estimated to be 6,600 over both semesters.
12. A subsequent referendum was carried out until January 24<sup>th</sup>, 2018 to provide students of Georgian College the opportunity to vote on the implementation of a U-Pass. Students were asked the following question.

***Are you in favour of a mandatory \$86/semester fee charged to all Full-Time Barrie campus students for a universal City of Barrie bus pass?***

Students successfully voted in favour of the program and Georgian College has also gained staff approval through their board. The plan is to launch the U-Pass program for the start of the fall 2018 semester.

#### **ANALYSIS**

##### Key Principles for the U-Pass Agreement

13. The following represents the key principles of the agreement being developed with Georgian College that will be finalized over the next few months.

##### Term

14. The proposed agreement will represent a three (3) year term and would commence on September 1<sup>st</sup>, 2018 and remain in force until August 31, 2021 with the option for a two (2) year renewal.
15. Following the completion of the initial term of the U-Pass agreement and any subsequent renewal terms that form part of the initial agreement, the program would be reviewed by the executive body

representing the students to vote on the continuation of the U-Pass program. Under existing regulations the U-Pass program would not require an additional referendum and general student body vote unless certain parameters were met. For example, Georgian College was to increase their total ancillary fees by greater than 20%.

16. The three (3) year term was selected to provide both the City and Georgian College with the ability to evaluate the program and if necessary adjust key parameters to ensure the agreement is fair and meets the needs of the City, Georgian College, and the students enrolled in the U-Pass program.

#### Eligibility

17. All Georgian College students that are full-time credit paying students will be eligible for the U-Pass program. Full-time criteria is defined by the Ministry of Advanced Education and Skill Development's audit and fee assessment rules. This is a common standard among several municipalities that have a universal transit pass.
18. The following table represents the number of anticipated full-time students enrolled at Georgian College that would qualify for the U-Pass program. Students may not qualify if they are on a work-term, are deemed part-time or distance education status, or qualify for an eligible exemption.

Semester	Eligible (U-Pass) FT Students
Fall	5,773
Winter	7,702
Summer	2,988
<b>Total</b>	<b>16,463</b>

#### U-Pass Fee and Financial Impact

19. In consideration of the anticipated uptake in transit ridership through the U-Pass program City staff and Georgian College have determined the cost of \$86 per student/per semester to be a fair and appropriate value that provides adequate funding to the City to accommodate the increased ridership and maintains a discounted price for each student through the mandatory shared cost among the entire student pool.
20. The \$86 per semester fee was proposed within the referendum vote that Georgian College students ultimately voted in favour of 50.4% to 49.6%. A higher fee may have discouraged additional students from voting in favour of the U-Pass.
21. Based on the scenarios outlined in the below table the Transit and Parking Strategy department is estimating the net increase in fare revenue from the U-Pass program to be in the range of \$135k - \$364k, however these estimates contain several assumptions and variables. Through increased ridership the City would also benefit from additional provincial, federal, and potentially Development Charges funding that are calculated using ridership totals. As the U-Pass program is intended to be revenue neutral any net increase in revenue would be used to fund program expenses, service enhancements, and potentially infrastructure improvements.

	Scenario 1	Scenario 2	Scenario 3
Estimated Number of FT Students	16,463	16,463	16,463
U-Pass Fee	\$ 86	\$ 86	\$ 86
<b>Total Revenue from U-Pass</b>	<b>\$ 1,415,818</b>	<b>\$ 1,415,818</b>	<b>\$ 1,415,818</b>
Estimated Loss in Revenue	\$ (1,258,613)	\$ (1,168,712)	\$ (1,051,843)
<b>Net Change in Revenue</b>	<b>\$ 134,730</b>	<b>\$ 247,106</b>	<b>\$ 363,975</b>

22. A comparison to other municipalities that have Universal Transit Pass partnerships with associated colleges and universities has been summarized to further validate the \$86 per student/per semester as an appropriate price point.

Institute	Municipality	U-Pass Fee per Term	Price of Municipal Transit Agency Monthly Adult Pass	% of U-Pass to Mthly Pass
Algonquin College	Ottawa	\$ 198	\$ 114	174 %
Guelph University	Guelph	\$ 115	\$ 80	144 %
Fanshawe College	London	\$ 113	\$ 81	140 %
Canadore College	North Bay	\$ 109	\$ 86	127 %
Niagara College	Welland	\$ 89	\$ 78	114 %
Brock University	St. Catharines	\$ 101	\$ 92	110 %
Laurentian University	Sudbury	\$ 92	\$ 87	106 %
Durham College	Oshawa	\$ 120	\$ 115	104 %
Georgian College	Barrie	\$ 86	\$ 86	100 %
St. Lawrence College	Kingston	\$ 72	\$ 76	95 %
Confederation College	Thunder Bay	\$ 65	\$ 77	84 %
<b>Average</b>				<b>120 %</b>

#### Rate Increases

23. The annual inflationary adjustment within the draft agreement is proposed to be aligned with the City's third party transit service provider contract as the best representation of inflationary cost increases for transit service and is based on the Consumer Price Index (CPI). The City of Barrie would be required to communicate the inflationary increase to Georgian College by January 1<sup>st</sup> to include in the student assessment for the upcoming fall semester starting in September 1<sup>st</sup>. (I.e. January 1, 2019 for September 1, 2019)

#### Payment Terms

24. Georgian College is required by the Ontario Ministry of Advanced Education and Skill Development to submit the total number of enrolled full-time students by November 1<sup>st</sup> (fall), March 1<sup>st</sup> (winter), and July 1<sup>st</sup> (summer) of each school year. These figures are standardized, audited, and publicly available and would serve as the baseline for the calculation of U-Passes issued for each semester. The proposed payment schedule would be similar to the following.

Semester	Payment	Deadline
<b>Fall</b>	#1 – 50% Estimated	September 30 <sup>th</sup>
	#2 – Difference	November 30 <sup>th</sup>
<b>Winter</b>	#1 – 50% Estimated	January 31 <sup>st</sup>
	#2 – Difference	March 31 <sup>st</sup>
<b>Summer</b>	#1 – 50% Estimated	May 30 <sup>th</sup>
	#2 – Difference	July 31 <sup>st</sup>

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#### Marketing & Promoting

25. Both Georgian College and the City are committed to ongoing marketing and promotion of the U-Pass program for students and will plan to attend key events such as the orientation day for international students, bus tours, and education open houses.

#### Advisory Committee

26. City of Barrie staff, Georgian College staff, and representatives from the student body will form an advisory committee to ensure the launch and ongoing operation of the U-Pass program are successful and improvements can be achieved over time. The committee would plan to meet at a minimum of twice per semester to review any technical issues, service requirements and optimization, while receiving regular ongoing feedback from Georgian College students. The advisory committee would review key data from the U-Pass program to track utilization, travel patterns, and identify new ways to enhance the U-Pass program and transit service for students.

#### Delegated Authority and Short-term Service Enhancements

27. City staff will work with Georgian College over the next few months to develop the fare media and identification process. On the surface smart card technology is the optimal solution in respect to controllability, distribution, and ease of use. The City's transit fleet already contains fare boxes that are compatible with smart card technology, and will be working with Georgian College as this is the preferred solution.
28. Staff may be restricted by time in order to implement a smart card solution for September 2018 and would need to look at an alternative fare media and identification process for the first semester. In both scenarios additional costs will be incurred to implement a solution, however staff will use total budget management to stay within the existing approved budget and will report back to Council after the fall semester with a full details on the launch the U-Pass program.
29. With the planned roll out of the U-Pass in the fall semester of 2018, and the unknown impact on ridership, staff require the flexibility to react quickly to the potential shift in transit ridership demand and ensure the success of the U-Pass program. As such, staff are requesting delegated authority to add up to 1,000 hours of additional transit service for the fall 2018 semester. This will ensure the service is available to all students. The additional cost will be captured within the U-Pass program and all associated revenues and expenses will be monitored and controlled through total budget management. Staff will commit to reporting back to Council following the fall 2018 semester on the service adjustments that were made under delegated authority.

#### **ENVIRONMENTAL MATTERS**

30. There are no environmental matters related to the recommendation.

#### **ALTERNATIVES**

31. The following alternatives are available for consideration by General Committee:

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**Alternative #1**

General Committee could direct staff to re-negotiate any specific key term or condition of the proposed agreement before providing delegated authority to enter in an agreement for a Universal Transit Pass with Georgian College.

This alternative is not recommended as it may impact the ability to launch the U-Pass program for the fall 2018 semester.

**FINANCIAL**

32. The U-Pass program will result in additional revenues and expenses that are currently not reflected within the 2018 Business Plan. Staff in the Transit and Parking Strategy department will report back to Council on the financial impact following the fall semester. Staff will include estimated associated budget impacts within the 2019 Business Plan.
33. The City will benefit from the increase in transit ridership resulting from the U-Pass through additional federal and provincial funding such as the Provincial Gas Tax (PGT), and Public Transit Infrastructure Fund (PTIF); both of which are awarded based on total transit ridership.

**LINKAGE TO 2014-2018 STRATEGIC PLAN**

34. The recommendation(s) included in this Staff Report support the following goals identified in the 2014-2018 Strategic Plan:
  - ☒ Responsible Spending
  - ☒ Well Planned Transportation
35. The implementation of a Universal Transit Pass for all eligible students of Georgian College will provide significant benefits for students, the college, the transit system, and the community in whole as evidenced in the summary of benefits. The proposed agreement will increase ridership, increase efficiency of existing transit service, and fund additional transit service that will benefit all users of the transit system.

**APPENDIX "A"**

**Summary of U-Pass Benefits**

<b>U-Pass Benefits</b>	
<b>For Students</b>	<b>For the Transit System</b>
<ul style="list-style-type: none"> <li>✓ Creates an attractive, convenient travel option</li> <li>✓ Reduces transportation costs</li> <li>✓ U-Pass revenues pay for improved transit services</li> <li>✓ Makes it easier to live in more distant, lower-cost neighborhoods</li> <li>✓ Makes it easier for occasional users</li> <li>Offers a safe and reliable travel option for those who consume alcohol</li> </ul>	<ul style="list-style-type: none"> <li>✓ Ridership grows on poor-performing evening and mid-day routes</li> <li>✓ Ridership gains help to maximize the use of buses</li> <li>✓ Revenue Stabilization</li> <li>✓ Public will see more important role for transit</li> <li>✓ Students are more likely to use transit after they graduate</li> <li>✓ Fewer complaints from public about empty buses</li> </ul>
<b>For the Institution</b>	<b>For the Community</b>
<ul style="list-style-type: none"> <li>✓ Supports overall objective to reduce auto travel and air pollution on campus</li> <li>✓ Reduces pressure on parking facilities</li> <li>✓ Enables use of land for buildings or greenspace, rather than parking</li> </ul>	<ul style="list-style-type: none"> <li>✓ Lower traffic volumes and air emissions</li> <li>✓ Less illegal parking in residential areas around campus</li> <li>✓ Improved transit services benefit other users</li> <li>✓ Additional Provincial/Federal funding as a result of increased ridership</li> </ul>